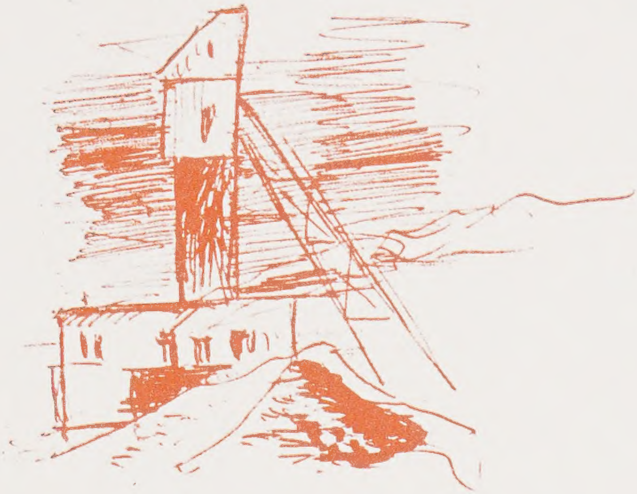
* BECAME UNICORP FINANCIAL CORP. 1973
GEORGE MANN



Fifth Annual Report • 1969

CANADIAN JAMIESON MINES LIMITED

CANADIAN JAMIESON MINES LIMITED

Officers:	A. T. Griffis, *President* G. J. Killeen, *Vice-President* R. H. Pope, *Treasurer* R. C. Bragagnolo, *Secretary*
Directors:	R. C. Bragagnolo A. T. Griffis G. J. Killeen R. D. Lawrence J. J. Parisi R. H. Pope D. H. Wigston
Auditors:	Thorne, Gunn, Helliwell & Christenson
Registrar and Transfer Agent:	Guaranty Trust Company of Canada, Toronto, Ontario 366 Bay Street, Toronto, Ontario
Consulting Engineers:	Watts, Griffis and McOuat Limited, Toronto, Ontario 159 Bay Street, Toronto, Ontario
Head Office:	251 Third Avenue, Timmins, Ontario
Executive Offices:	Suite 911, 159 Bay Street, Toronto, Ontario

President's Report

THE PAST year was the most successful of the five years since your Company's incorporation, and I am most pleased to review these activities for you on behalf of the Board of Directors.

Operations at the mine during this third year of production were considerably improved, the average tonnage milled being 477 per day. This improvement, along with a satisfactory metal recovery, was obtained by a change in the concentrator flow sheet without addition of equipment. Fortunately, the underground staff has been able to meet the resulting increase in ore demand without serious difficulty.

Increased throughput has resulted in lower costs per ton, despite wage increases and higher costs for material.

The net reduction in ore reserves has been held to 80,600 tons (compared with 174,000 tons milled), principally by developing new small pods of ore or ore extensions not previously included in reserves. We shall, of course, continue to explore for new ore around and at depth below our present orebodies. Mill head grade for the year was 2.75% copper, 4.42% zinc, only slightly lower than that for 1968. All the above factors and a continuing high price for copper have resulted in an increase in our operating profit and a very substantial increase in our cash reserves.

As noted in last year's report, further work was planned on the Company's property in MacDiarmid Township. Due to difficulties in obtaining a suitable drill, no diamond drilling was carried out and is planned for this year. You will recall that traces of copper mineralization were noted in one hole through a conductor on this property. This will be further tested.

A dividend of 15¢ per share was paid on May 1st, 1969 and we expect to continue to pay dividends.

We now have approximately $3 million at our disposal and we plan on vigorous, effective use of these funds for the benefit of the Company and the shareholders.

We have begun to look beyond our own property for promising mineral developments. We will be prepared to examine prospects of interest in Northern Ontario and Quebec, and several such examinations have been carried out to-date.

We are also prepared to consider mining developments in Canada and the United States generally, where at least some of the risk has been eliminated. In line with this approach, an agreement has been reached with an American partner to carry out detailed testing of a gold placer in Nevada where preliminary drilling has indicated several million yards of gravels carrying 40¢ per yard in gold. The attraction of this venture is the possibility of much larger volumes in nearby washes.

Canadian Jamieson, in its three years of operation, has enjoyed particularly good relations with staff and employees. I think this has been reflected in many of the factors that made 1969 our best year to-date. I refer you to the reports of the auditors and of the mine manager (Mr. Ross MacPhail) for details, and on behalf of all shareholders express our thanks to Mr. MacPhail and his staff.

On behalf of the Board,

A. T. Griffis

August 11, 1969

A. T. Griffis,
President.

CANADIAN JAMIESON MINES LIMITED
(Incorporated under the laws of Ontario)

BALANCE SHEET — March 31, 1969
(with comparative figures at March 31, 1968)

ASSETS

	1969	*1968*
CURRENT ASSETS		
Cash	$ 51,324	$ 16,644
Short term deposits	875,000	
Concentrate settlements outstanding and concentrates on hand at estimated net realizable value (note 1)	2,011,551	1,535,101
Marketable securities, at cost (quoted market value $168,437)	158,785	
Prepaid expenses and sundry receivables	6,922	19,585
	3,103,582	1,571,330
FIXED ASSETS		
Buildings and equipment, at cost	1,718,658	1,681,870
Less accumulated depreciation (note 2)	1,123,337	697,578
	595,321	984,292
Mining properties, at cost	703,704	703,704
	1,299,025	1,687,996
OTHER ASSETS AND DEFERRED CHARGES		
Supplies, at average cost	70,330	57,544
Preproduction and development expenditures, less amortization (note 2)	131,530	523,711
Debt discount and expenses, less amortization (note 2)	54,000	108,000
Other assets and deferred charges	19,457	19,457
	275,317	708,712
	$4,677,924	$3,968,038

Approved by the Board
G. J. KILLEEN, *Director*
R. H. POPE, *Director*

AUDITORS' REPORT

To the Shareholders of
Canadian Jamieson Mines Limited

We have examined the balance sheet of Canadian Jamieson Mines Limited as at March 31, 1969 and the statements of income, retained earnings and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company as at March 31, 1969 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted principles applied on a basis consistent with that of the preceding year.

Toronto, Canada
August 15, 1969

THORNE, GUNN, HELLIWELL & CHRISTENSON
Chartered Accountants

LIABILITIES

	1969	1968
CURRENT LIABILITIES		
Bank loan — secured		$ 250,000
Accounts payable and accrued liabilities	$ 239,844	278,190
Taxes payable	418,289	157,102
	658,133	685,292
LONG TERM DEBT		
Debentures payable		
Series A — 7% due December 31, 1969		320,000

SHAREHOLDERS' EQUITY

	1969	1968
CAPITAL STOCK (note 4)		
Authorized — 5,000,000 shares of $1 each		
Issued — 2,556,006 shares (1968, 2,546,006 shares)	2,556,006	2,546,006
Deduct discount less premium	1,053,750	1,053,750
	1,502,256	1,492,256
RETAINED EARNINGS	2,517,535	1,470,490
	4,019,791	2,962,746
	$4,677,924	$3,968,038

STATEMENT OF INCOME

YEAR ENDED MARCH 31, 1969
(with comparative figures for 1968)

Revenue	*1969*	*1968*
Concentrates produced (net value after smelting and refining charges)	$4,703,303	$4,066,306
Less shipping and marketing costs	566,126	493,336
	4,137,177	3,572,970
Operating expenses		
Mine exploration	122,636	105,434
Mining	701,962	651,513
Milling	509,542	553,778
Ontario mining tax	261,000	100,000
Mine management, office and general property expenses	306,631	231,406
Head office administration and general expenses	49,975	60,377
	1,951,746	1,702,508
Operating income before the following expenses	2,185,431	1,870,462
Other expenses		
Depreciation of buildings and equipment (note 2)	425,759	385,512
Amortization of preproduction and development expenditures (note 2)	430,531	344,963
Interest on long term debt	4,494	62,017
Amortization of debt discount and expenses (note 2)	54,000	54,000
	914,784	846,492
	1,270,647	1,023,970
Interest and other income	30,998	1,955
Net income for the year (note 3)	$1,301,645	$1,025,925

STATEMENT OF RETAINED EARNINGS

YEAR ENDED MARCH 31, 1969
(with comparative figures for 1968)

	1969	*1968*
Balance at beginning of year	$1,470,490	$ 444,565
Net income for the year	1,301,645	1,025,925
	2,772,135	1,470,490
Deduct dividends — 10¢ per share	254,600	
Balance at end of year	$2,517,535	$1,470,490

STATEMENT of SOURCE and APPLICATION of FUNDS

YEAR ENDED MARCH 31, 1969

(with comparative figures for 1968)

	1969	*1968*
Source of funds		
Net income for the year	$1,301,645	$1,025,925
Charges to income not requiring a current outlay of funds		
Depreciation of buildings and equipment	425,759	385,512
Amortization of preproduction and development expenditures	430,531	344,963
Amortization of debt discount and expenses	54,000	54,000
	2,211,935	1,810,400
Proceeds from issue of capital stock	10,000	
Other sources		10,215
	2,221,935	1,820,615
Application of funds		
Mine development expenditures	38,350	90,769
Additions to buildings and equipment, net	36,788	104,310
Payments on long term debt		
Series A debentures	320,000	320,000
Series B debentures		377,903
Mortgage on residence		13,630
Dividends	254,600	
Other applications	12,786	7,349
	662,524	913,961
Improvement in working capital position	1,559,411	906,654
Working capital (deficiency) at beginning of year	886,038	(20,616)
Working capital at end of year	$2,445,449	$ 886,038

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 1969

1. METAL PRICES

In computing the estimated net realizable value of concentrate settlements outstanding and concentrates on hand at March 31, 1969

(a) Concentrate settlements have been included at the values received subsequent to the fiscal year end.

(b) Concentrates on hand have been valued at their estimated net smelter settlement price after allowances for shipping and marketing costs in accordance with the contract in force.

2. DEPRECIATION AND AMORTIZATION

The cost of buildings and equipment (less estimated residual value), preproduction and mine development expenditures and debt discount and expenses are being depreciated and amortized over the life of the estimated ore reserves.

3. INCOME TAXES

Income from the operation of the mine is exempt from tax for a three year period from May 1, 1966.

4. CAPITAL STOCK

During the year 10,000 shares were issued for $10,000 cash under the share option plan for senior employees.

In accordance with the share option plan there were 23,000 shares under option at March 31, 1969 at $1.00 per share all of which have been taken up subsequent to the date of the balance sheet.

5. REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

Direct remuneration of the company's directors and senior officers (including the five highest paid employees as required by The Ontario Corporations Act)

	1969	*1968*
Directors and officers	$ 8,600	$ 6,100
Other employees	58,200	55,230

6. SUBSEQUENT EVENT

Subsequent to the date of the balance sheet a dividend of 15¢ per share was paid May 1, 1969 to shareholders of record April 15, 1969.

MINE MANAGER'S REPORT

To the President and Directors

Dear Sirs:

This report for the fiscal year ending March 31, 1969 is submitted for your consideration.

Production

During the third year of production the milling plant was maintained in operation for 96.7% of the total hours of the year and treated 174,108 tons of ore with an average grade of 2.75% copper and 4.42% zinc. The average milling rate per day was 477 tons, an increase from the previous year's average of 382 tons per day.

The production of copper concentrate amounted to 21,535 tons grading 19.66% copper all of which was sold to Boliden Aktiebolag on the basis of LME prices. Copper recovery was 8,470,648 pounds of copper representing 88.43% of the metal content of the ore. Normally this concentrate was shipped to Three Rivers, Quebec and stockpiled for ocean shipment. During the winter months it was stockpiled at the mine.

The production of zinc concentrate amounted to 10,402 tons grading 54.34% zinc. The zinc concentrate was sold to New Jersey Zinc Company at the East St. Louis average price. Zinc recovery was 73.3% of the metal content of the ore and amounted to 11,305,320 pounds of zinc.

Mining

Underground stoping continued ahead of mill consumption, producing 229,383 tons of broken ore and increasing the broken ore reserve in the mine to 95,277 tons which will allow time to mine out every corner of the irregular ore structure. The fourteen active areas yielded the following tonnages and grades by levels.

1st Level	53,647 tons at 2.3% Cu	and	4.1% Zn
2nd Level	41,615 tons at 2.8% Cu	and	4.4% Zn
3rd Level	35,668 tons at 2.4% Cu	and	4.4% Zn
4th Level	43,000 tons at 3.5% Cu	and	4.8% Zn

Longhole stoping provided 24.8% of the year's mill feed.

Development and Exploration

Mine development work was concentrated on the fifth level which had a total of 1,714 feet of lateral extension. The west drift was advanced 802 feet and the north crosscuts, which provided diamond drill stations for depth exploration, were advanced 487 feet and 425 feet.

Other lateral development in the mine was to open up small sections of ore as it was outlined by diamond drilling. On the first level the 1-W-Drift was advanced 284 feet to permit the mining of a section of ore in 2-M-2 stope. On the second level two short drives were made; in the south limb of 2-S-1 stope, a low grade disseminated sulphide orebody was developed by drifting 118 feet and south of the shaft the downward extension of the 1-S-3 orebody was developed by driving the 2-5.15-E-Drift for 163 feet. An extension of the flat rolling ore of the Panel Stope was developed by advancing the 3-2.15 Drift to the west for 108 feet on the third level.

All the raising during the year was for the stoping operation, developing new drawpoints or providing access for personnel and ventilation.

Development drives produced 11,177 tons of waste rock of which 177 tons were dumped for backfill and the remainder hoisted to surface. Diamond drill exploration was mainly on the fifth level where the detailed pattern was completed along the strike length of 3,400 feet and from the drill stations in the north crosscuts holes were fanned down to extend the geological cross-sections down to an elevation of 1,500 feet below the shaft collar. Altogether there were 30 holes for 20,135 feet of diamond drilling completed from the fifth level. Another 40 holes, totalling 4,354 feet, were drilled from the upper levels of the mine to define ore for stoping and further explore this part of the reserves. An additional 27,000 tons of minable grade were outlined.

From surface, nine holes were drilled: two holes for 806 feet on the claims acquired from Rousseau, one hole for 296 feet cross-sectioning the western extension of the geology, and six holes for 985 feet that delimited the ore immediately west of the first level north orebody.

Underground Development Summary

	Drifts and Crosscuts (feet)	Raises and Boxholes (feet)	Diamond Drilling (holes)	Diamond Drilling (feet)
Last Year	3,950	1,288	48	14,360
This Year	2,589	690	79	27,576
Total To Date	11,657	4,659	270	53,091

Equipment Purchases

The removal of the accumulated broken ore in the otherwise completed shrinkage stopes required the purchase of some additional equipment. An EIMCO 21 mucking machine, twelve small muck cars, a 10 h.p. electric slusher hoist and a battery charger were purchased. To increase the percentage of longhole stoping, a third longhole rock drill was acquired and additional small ventilation fans, muck hoes, and two replacement jack-leg drills were purchased for the mine. In the mill, the classification equipment on the regrind mill was duplicated with the purchase of 5 x 5 SRL pump and 12-inch cyclone. This permitted continuous operation of the regrind circuit instead of shutting it down for pump and cyclone maintenance. On surface, the fresh water supply for the concentrator was improved by burying a new six-inch welded steel pipeline which replaced the wood-stave line that had frozen each winter. The wood-stave pipe serves better on the tailings disposal system.

Milling

Continual experimental work in the concentrator has resulted in the ability to treat a larger daily tonnage of ore with very satisfactory recovery of both the copper and the zinc. A few hours shutdown each month for a maintenance check and repair has kept the mechanical equipment in top condition. During the year, the zinc dryer was overhauled, a new shell being fabricated at the mine.

Personnel Relations

Employee and Union relations were very good throughout the year. There has not been any shortage of good men and the turnover has been small. The current contract with the United Steelworkers of America, Local no. 7056, will be in force until January 31, 1971.

In conclusion, I wish to thank the President and the Directors for their guidance and support and to express my appreciation to the staff and all of the employees for their willing co-operation.

Respectfully submitted,

Ross MacPhail

Ross MacPhail
Manager

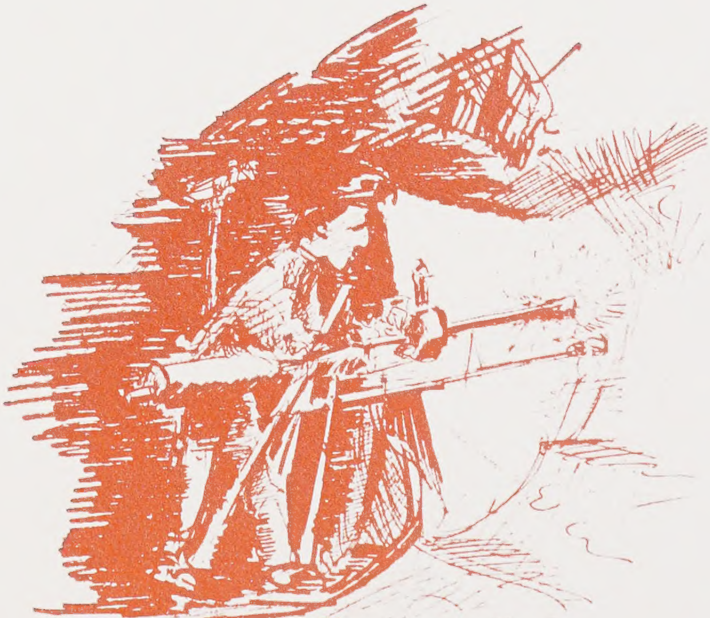
Timmins, Ontario
April 1, 1969

PRODUCTION
(during the year ending March 31, 1969)

		Grade	
	Short Tons	**Copper %**	**Zinc %**
Ore Milled	174,108	2.75	4.42
Concentrate Produced			
Copper concentrate (dry)	21,535	19.66	
Zinc concentrate (dry)	10,402		54.34

RESERVES
(as at March 31, 1969)

Ore Reserve (after 15% dilution)			
Broken ore underground	95,000	2.53	4.19
South Zone Upper	3,000	1.50	2.50
South Zone Lower	11,000	1.82	2.13
Upper Centre Zone West	5,000	2.44	3.40
Upper Centre Zone East	2,000	1.55	2.00
Lower Centre Zone	45,000	2.82	4.46
North Zone	31,000	2.18	3.93
Total Reserves	**192,000**	**2.47**	**4.03**



ANNUAL MEETING

Annual and general meeting of shareholders of Canadian Jamieson Mines Limited will be held in the Empire Hotel, Timmins, Ontario, on September 13, 1969, at 2 p.m.

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